

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2003

	December-03					September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Net ROR	Net ROR	6/30/2003	6/30/2003
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	1,301,336	5.1%	5.1%	9.09%	2.11%	1,191,943	5.0%	5.1%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	1,301,336	5.1%	5.1%	9.09%	2.11%	1,191,943	5.0%	5.1%	6.61%	16.31%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				10.41%	3.46%				3.92%	14.74%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>													
LSV	1,435,504	5.6%	5.1%	15.58%	5.58%	1,244,918	5.3%	5.1%	3.33%	19.42%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				14.19%	6.16%				2.06%	16.54%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	1,346,823	5.3%	5.1%	11.77%	4.38%	1,204,786	5.1%	5.1%	2.87%	14.98%	1.08%	N/A	N/A
<i>Russell 1000</i>				12.26%	4.79%				3.00%	15.63%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	1,274,614	5.0%	5.1%	12.40%	5.46%	1,133,812	4.8%	5.1%	2.50%	15.21%	0.28%	N/A	N/A
Strong	1,314,213	5.1%	5.1%	12.76%	5.50%	1,165,628	4.9%	5.1%	2.89%	16.02%	3.30%	N/A	N/A
Westridge	1,388,718	5.4%	5.1%	12.22%	5.24%	1,237,505	5.2%	5.1%	2.65%	15.19%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	3,977,544	15.5%	15.4%	12.46%	5.40%	3,536,945	15.0%	15.4%	2.68%	15.47%	1.35%	N/A	N/A
<i>S&P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	N/A	N/A
<i>S&P 500 Index</i>													
State Street	901,315	3.5%	3.4%	12.16%	5.24%	803,500	3.4%	3.4%	2.64%	15.12%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	8,962,522	35.0%	34.3%	12.31%	4.77%	7,982,093	33.8%	34.3%	3.02%	15.70%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	3,090,430	12.1%	10.7%	14.87%	2.39%	2,778,741	11.8%	10.7%	9.68%	25.99%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				15.07%	2.20%				9.60%	26.12%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	3,090,430	12.1%	10.7%	14.87%	2.39%	2,778,741	11.8%	10.7%	9.68%	25.99%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				14.52%	2.03%				9.07%	24.91%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	175,626	0.7%	0.6%	14.32%	6.62%	153,377	0.6%	0.6%	6.08%	21.27%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>													
Capital Guardian	424,358	1.7%	1.5%	13.62%	5.70%	373,033	1.6%	1.5%	7.45%	22.07%	-11.30%	-14.96%	0.47%
Bank of Ireland	83,456	0.3%	0.3%	17.43%	7.54%	70,979	0.3%	0.3%	2.64%	20.53%	-10.28%	N/A	N/A
Total Large Cap - Active	507,814	2.0%	1.8%	14.22%	6.00%	444,012	1.9%	1.8%	6.65%	21.82%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>													
Lazard	84,270	0.3%	0.3%	14.41%	5.50%	81,332	0.3%	0.3%	10.66%	26.61%	-2.32%	N/A	N/A
Wellington	84,117	0.3%	0.3%	11.59%	4.79%	85,327	0.4%	0.3%	17.22%	30.80%	5.97%	N/A	N/A
Total Small Cap - Active	168,388	0.7%	0.6%	12.90%	5.14%	166,659	0.7%	0.6%	13.94%	28.64%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				13.31%	6.10%				15.95%	31.39%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	851,828	3.3%	3.0%	13.97%	5.96%	764,048	3.2%	3.0%	8.04%	23.13%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY													
Capital Guardian	412,167	1.6%	1.5%	14.85%	7.28%	419,608	1.8%	1.5%	14.62%	31.64%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				17.81%	7.25%				14.23%	34.57%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	1,251,964	4.9%	5.2%	1.24%	1.25%	1,205,418	5.1%	5.1%	-0.47%	0.76%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Active Duration</i>													
WestAM (Criterion)	1,227,167	4.8%	5.2%	0.31%	1.10%	1,191,442	5.0%	5.1%	-0.40%	-0.08%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Index</i>													
Bank of ND	1,928,770	7.5%	8.9%	-0.10%	1.01%	1,914,207	8.1%	8.8%	-0.73%	-0.83%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	293,367	1.1%	1.1%	1.41%	0.47%	292,841	1.2%	1.2%	1.43%	2.86%	5.83%	5.84%	5.85%
Total Index	2,222,137	8.7%	10.0%	0.23%	0.89%	2,207,047	9.3%	10.0%	-0.21%	0.02%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				-0.03%	0.99%				-0.50%	-0.53%	13.15%	10.82%	7.83%

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	Market Value	Allocation	Actual	Quarter	Month	Market Value	Allocation	Actual	Quarter	Fiscal YTD	FY03	Ended	Ended
		Policy		Net ROR	Net ROR				Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
												Net	Net
Convertibles													
TCW	1,355,798	5.3%	5.2%	10.00%	3.72%	1,226,445	5.2%	5.1%	1.84%	12.03%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				8.54%	2.79%				2.67%	11.44%	15.35%	-3.81%	N/A
BBB Average Quality													
Strong	1,240,072	4.8%	5.2%	1.47%	1.73%	1,216,038	5.1%	5.1%	0.16%	1.63%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				1.22%	1.41%				0.27%	1.50%	18.33%	9.91%	N/A
Timberland													
Evergreen (Wachovia)	2,398,946	9.4%	9.4%	6.11%	-0.05%	2,246,346	9.5%	9.5%	-0.15%	5.95%	12.50%	N/A	N/A
												N/A	N/A
TOTAL DOMESTIC FIXED INCOME	9,696,085	37.9%	40.0%	3.16%	1.21%	9,292,738	39.3%	40.0%	0.11%	3.27%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
HIGH YIELD BONDS													
Western Asset	850,501	3.3%	3.5%	5.54%	2.32%	805,871	3.4%	3.5%	1.99%	7.63%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				5.91%	2.26%				2.77%	8.85%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	256,037	1.0%	1.0%	6.49%	4.68%	224,105	0.9%	1.0%	3.18%	9.88%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
International Core													
Brandywine	258,957	1.0%	1.0%	7.30%	4.91%	219,329	0.9%	1.0%	1.51%	8.92%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				6.77%	4.89%				2.76%	9.72%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	514,994	2.0%	2.0%	6.91%	4.80%	443,434	1.9%	2.0%	2.34%	9.41%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
REAL ESTATE													
J.P. Morgan	686,612	2.7%	3.0%	3.16%	1.18%	665,609	2.8%	3.0%	2.43%	5.66%	7.80%	7.36%	10.23%
<i>NCREIF TOTAL INDEX</i>				1.97%	0.65%				1.97%	3.98%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS													
<i>Coral Partners V</i>	44,417			-1.26%	-1.26%	40,837			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
<i>Coral Partners V - Supplemental</i>	2,210			-0.95%	-0.95%	2,124			-15.67%	-16.47%	-28.36%	N/A	N/A
<i>Coral Partners VI</i>	6,657			-4.63%	-4.63%	6,647			-12.18%	-16.25%	N/A	N/A	N/A
<i>Brinson 1998 Partnership Fund</i>	7,567			2.36%	4.04%	7,453			4.07%	6.53%	-14.73%	-11.35%	1.31%
<i>Brinson 1999 Partnership Fund</i>	10,152			4.99%	4.99%	9,208			0.98%	6.02%	-16.31%	-14.42%	N/A
<i>Brinson 2000 Partnership Fund</i>	17,264			2.47%	2.30%	14,805			0.67%	3.15%	-13.99%	-9.08%	N/A
<i>Brinson 2001 Partnership Fund</i>	5,291			-1.11%	-1.11%	5,095			0.43%	-0.68%	-5.98%	N/A	N/A
<i>Brinson 2002 Partnership Fund</i>	3,578			-1.16%	-1.16%	3,448			12.21%	10.91%	9.08%	N/A	N/A
<i>Brinson 2003 Partnership Fund</i>	350			-0.24%	-0.24%	334			-3.58%	-3.81%	N/A	N/A	N/A
<i>Brinson 1999 Non-US Partnership Fund</i>	4,858			5.58%	5.35%	5,042			6.32%	12.25%	13.12%	2.21%	N/A
<i>Brinson 2000 Non-US Partnership Fund</i>	6,549			0.52%	0.52%	6,204			2.82%	3.35%	9.50%	-1.63%	N/A
<i>Brinson 2001 Non-US Partnership Fund</i>	3,600			1.18%	1.18%	3,388			7.50%	8.77%	-0.41%	N/A	N/A
<i>Brinson 2002 Non-US Partnership Fund</i>	5,453			0.96%	0.96%	4,688			3.71%	4.71%	5.34%	N/A	N/A
<i>Brinson 2003 Non-US Partnership Fund</i>	931			0.05%	0.02%	305			-0.05%	0.00%	N/A	N/A	N/A
<i>Brinson BVCF IV</i>	24,893			-3.67%	0.00%	24,608			-1.02%	-4.65%	-14.64%	-18.80%	N/A
<i>Matlin Patterson Global Opportunities</i>	58,307			10.99%	0.00%	50,027			0.00%	10.99%	N/A	N/A	N/A
<i>InvestAmerica</i>	7,383			0.00%	0.00%	7,031			0.00%	0.00%	-12.50%	N/A	N/A
<i>Hearthstone MSII</i>	8,376			15.36%	0.00%	9,503			5.06%	21.20%	28.98%	13.57%	N/A
<i>Hearthstone MSIII</i>	21,170			0.00%	0.00%	1,187			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	239,005	0.9%	1.0%	3.15%	0.23%	201,935	0.9%	1.0%	-1.01%	2.11%	-9.78%	-11.48%	-6.74%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	300,652	1.2%	1.0%	0.32%	0.09%	290,597	1.2%	1.0%	0.35%	0.67%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.26%	0.10%				0.25%	0.50%	1.52%	3.33%	4.07%
TOTAL FUND	25,604,796	100.0%	100.0%	8.24%	2.88%	23,644,673	100.0%	100.0%	2.91%	11.39%	6.14%	-0.87%	2.85%
POLICY TARGET BENCHMARK				6.87%	2.90%				2.47%	9.51%	5.65%	-0.08%	3.59%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.